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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003596

SIPDIS

STATE FOR INL/C/CP, INL/I, NEA/I AND S/I

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TAGS: [KCOR](#) [KCRM](#) [PGOV](#) [EAID](#) [PREL](#) [IZ](#)
SUBJECT: SIX INSPECTORS GENERAL RELIEVED OF DUTIES

REF: BAGHDAD 03087

Classified By: Anti-Corruption Coordinator Lawrence Benedict,
reasons 1.4 (b) and (d).

11. (C) SUMMARY: The Council of Ministers issued orders in mid-October firing one Inspector General and putting five others into early retirement following performance audits of the IGs conducted by the Board of Supreme Audit. Another IG expects to be relieved of his duties, while the head of the Commission of Integrity said two additional IGs may be removed soon. The newly retired IGs with whom we spoke professed ignorance of why the GOI would remove them so close to the April 2009 expiration of their five year terms, but the COI Commissioner hinted the removals had been for cause. END SUMMARY.

ONE IG FIRED, FIVE OTHERS "RETIRED"

12. (C) Order No. 118 from the Council of Ministers dated October 15 dismissed one IG, forced three others into early retirement, and changed the status of two previously dismissed IGs from "fired" to "retired." The order terminated the IG for the Ministry of Culture, Hanna Eshkori. This decree comes on the heels of a non-binding "finding of fault" against Eshkori issued by Commission of Integrity (COI) Commissioner Rahim al-Ugaili in July. We do not have additional details on the finding other than its recommendation that Eshkori be removed from her position. The order also forced into retirement the IGs for the Ministries of Water, Foreign Affairs, and Youth and Sports. The IGs for the Christian Endowment and the Central Bank, who had previously been terminated, were allowed to retire, thereby keeping their pension benefits. (Note: As reported reftel, the IG for the Central Bank, Abbas al-Haeirir, was terminated when Central Bank Governor al-Shabibi eliminated the IG position from the Bank in September. A subsequent order from the Prime Minister reportedly reinstated the position of IG within the bank, but the slot has not yet been filled. End Note.)

13. (C) Iraqi media wrongly reported that IGs for the Ministry of Agriculture and the Sunni Endowment were removed when they still officially remain in their positions. The Prime Minister's Office told ACCO November 5 no actions had been taken against the IGs for Agriculture or the Sunni Endowment. However, the IG for the Sunni Endowment told us in early November he expected to be removed soon.

14. (C) The upheaval in IG staffing follows a performance review of the IGs conducted by the Board of Supreme Audit (BSA), the first completed since the creation of the IGs under Coalition Provisional Authority order (reftel). A core group of the Iraqi Joint Anti-Corruption Commission (JACC) -- consisting of Council of Ministers' Secretary General Ali Alaq, BSA head Dr. Abdulbasit, and COI Commissioner Judge Rahim al-Ugaili -- issued a recommendation to the Council of Ministers to dismiss or force into retirement the IGs named

in Order No. 118. Other inspectors general told ACCO the JACC is actively searching for replacements, who will need to be confirmed by the Prime Minister. A working-level contact at the COI said the JACC had already received some 1500 CV's for the open slots from interested applicants.

DISPLACED IG'S HAD MIXED RECORDS

¶15. (C) The IGs who were removed, some of whom ACCO has had long-standing working relationships with through USG technical assistance programs, had mixed records. The IG for the Ministry of Foreign Affairs, Saadi Fadhli, has a reputation for incompetence among the other IGs. According to some of Fadhli's fellow IGs, he reportedly spent only a few weeks in Iraq in all of 2008. Last year, the Deputy Minister of Foreign Affairs accused Fadhli of corruption for stealing from Iraqi embassies abroad. Fadhli told ACCO staff he refused to pass along cases to the COI because he considered its staff corrupt. The IG for the Christian endowment, Samia Japaya, is a former dentist without formal auditing training and a protege of Dr. Adil Muhsin, the Health Ministry IG widely believed to be involved in corrupt acts. The IG for the Water Ministry, Ali al-Ansari, who has 54 years of government service, is viewed by the other IGs as past his prime. We are not aware of further allegations about other dismissed IGs.

¶16. (C) COI Commissioner al-Ugaili refused to comment explicitly on the dismissals but hinted to ACCO November 5 the terminations had been for cause. Rahim suggested the IGs for the Ministry of Electricity and Baghdad Municipality may

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be the next to be removed from their positions, but he did not offer any additional details. ACCO has attempted to meet with Ali Alaq to comment on the IG removals but he has been unable to meet with us on the matter.

COMMENT: TIMING OF REMOVALS SUGGESTS DAMAGING PERFORMANCE AUDITS

¶17. (C) Iraqi IGs serve for five-year terms, which can supersede Iraq's mandatory civil servant retirement age of ¶63. Except for the IG for the Ministry of Culture, who was unambiguously terminated for poor performance, the other displaced IGs are now all beyond the age of 63. This age factor would have provided a quick and easy excuse to deny any of them reappointment in April 2009, when their current terms end. The findings of the BSA audits, which remain confidential, were likely incendiary enough to convince the cabinet to remove the IGs prematurely rather than letting them remain in their positions a few more months. Allowing the five IGs to retire and collect retirement benefits would have been a gracious way of removing these ineffective government employees, many of whom had nonetheless been Iraqi civil servants for decades. We also suspect the decision to act upon the performance reviews may have been at the instigation of BSA head Dr. Abdulbasit, whose staff went to great lengths to complete the reviews and who frequently maneuvers to assert BSA's preeminence among Iraq's anti-corruption bodies.

CROCKER